



July 25, 2018

Jorianne Jernberg, WIFIA Program Director
USEPA Headquarters
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N. W.
Mail Code: 4202M
Washington, DC 20460

Re: City of Waukesha WIFIA Application

Dear Ms. Jernberg:

The Wisconsin Department of Natural Resources (WDNR) understands that the City of Waukesha, Wisconsin is applying for funding assistance through the Water Infrastructure Financing and Innovation Act (WIFIA). As part of the WIFIA application process, we understand that the engineering feasibility of Waukesha's Lake Michigan water supply project needs to be addressed. WDNR is the primary regulatory agency responsible for reviewing and permitting Waukesha's project.

This letter outlines the process and conclusions made during the approval process under the Great Lakes-St. Lawrence River Basin Water Resources Compact (Compact). It is our understanding that the City of Waukesha plans to begin construction in early 2020 so that the program is completed by its court-ordered September 2023 deadline for compliance with the federal radium standard. The project involves constructing a 13-mile pipeline from the City of Milwaukee's existing water distribution system to the City of Waukesha and a 24-mile return flow pipeline to return the water to Lake Michigan pursuant to the Compact approval. It is estimated to cost \$285 million.

In May 2010, Waukesha submitted its application to use and return Lake Michigan water under the terms of the Compact. After several years of technical review and public participation the WDNR determined that Waukesha's application was approvable under the Compact. In January 2016, the WDNR forwarded the application to the Great Lakes-St. Lawrence Water Resources Regional Body (Regional Body) for review and to the Great Lakes-St. Lawrence River Basin Water Resources Council (Compact Council) for its required unanimous approval. On June 21, 2016 the eight Great Lakes states completed their review and unanimously approved Waukesha's request to divert and return up to 8.2 million gallons per day of Great Lakes water.

Reviews by Wisconsin, the Regional Body and Compact Council concluded that Waukesha has no reasonable water supply alternative to a diversion of Lake Michigan water with return flow. The Compact Council found:

II. 4. Applicant Without Reasonable Water Supply Alternative. All of the Applicant's water supply alternatives within the Mississippi River Basin ("MRB") are likely to have, and cannot be sustained without, greater adverse environmental impacts than the proposed diversion. The Compact Council further finds, as stated in several Findings including 4a, 4b, 7b, 8c, 8e, and 11a, that the diversion as conditioned in this Final Decision does not have significant adverse impacts in the Basin. In addition, none of the evaluated MRB alternatives were found to be reliable sources for a long-term, dependable, and sustainable public water supply and, therefore, the Applicant is without a reasonable water supply alternative. (Compact § 4.9.3 and 4.9.3.d)

The Council also found that the diversion will be implemented in compliance with all applicable laws:

II. 9. Application to Comply with Applicable Laws. The Compact Council has reviewed the Application and the Exception shall be implemented to comply with all applicable municipal, State, Provincial and federal laws as well as regional interstate, inter-provincial and international agreements, including the Boundary Waters Treaty of 1909. (Compact § 4.9.4.f)

The conversion from the existing groundwater water supply to the Lake Michigan water supply will provide Waukesha with a long-term, sustainable supply of water that complies with federal standards for radium. As previously noted, Waukesha is under a court order to be fully compliant with those standards by September 1, 2023. Waukesha is currently completing the necessary permits required for the project. It plans to begin construction in 2020.

An important element of WDNR's technical review of Waukesha's application, prior to forwarding it to the Regional Body and Compact Council, had been to determine the feasibility of the project, including the approvability of the needed permits, including the Wisconsin Pollutant Discharge Elimination System (WPDES) permit that is needed for Waukesha's wastewater discharge. The WDNR is working closely with the city to obtain and review information that is required to issue those required permits, likely in 2019. While no permits have been issued for this project, the City of Waukesha has discussed the permitting with the WDNR and together we have worked through all the significant technical details.

While the Wisconsin State Revolving Fund (SRF) has capacity to fund the clean water portion of this project and is working with the City of Waukesha on that that aspect of the project, the Wisconsin SRF is unlikely to be able to fund all the drinking water portion of the City of Waukesha's project.

We appreciate the opportunity to provide these details for the City of Waukesha regarding their application for WIFIA funding. If you have questions, please contact WDNR Section Chief Ben Callan at (608) 266-3254.

Sincerely,


 Daniel Meyer
Secretary
Wisconsin Department of Natural Resources